

OFFICIAL FILE

ILLINOIS COMMERCE COMMISSION

ILLINOIS ^{swm}
COMMERCE COMMISSION

2006 OCT 30 P 12:59

CHIEF CLERK'S OFFICE



ORIGINAL

Mary G. Sullivan
Corporate Counsel
Central Region

October 26, 2006

Ms. Elizabeth Rolando
Chief Clerk of the Commission
527 East Capitol Ave.
Springfield, IL 62701

RE: Docket Number 05-0021
1275 Randall Road, Elgin, IL

Report per Order

Dear Ms. Rolando:

In compliance with the Illinois Commerce Commission's Order dated May 4, 2005 in Docket Number 05-0021, this correspondence is to inform the Commission of the status of the closing of the real estate transaction. LDG Investment Group, L.L.C. is purchasing Illinois-American Water Company's property located at 1275 Randall Road in Elgin, Kane County, Illinois. LDG Investment Group, L.L.C. continues to experience delays before the planning board. LDG Investment Group, L.L.C. expects to be competed with the planning board in late November or early December 2006 and, therefore, in a position to close in early 2007. Illinois-American agreed to extend the real estate purchase agreement with LDG Investment Group, L.L.C. in exchange for an increase in the non-refundable escrow amount. A copy of the Second Amendment to the Agreement between Illinois-American Water Company and LDG Investment Group, L.L.C. is attached. Illinois-American will advise the Commission when closing has occurred.

Should you have any questions, please contact me at 618-239-3222.

Sincerely,

Mary G. Sullivan

Mary G. Sullivan
Corporate Counsel

cc: Mary Selvaggio

American Water

727 Craig Road
St. Louis, MO 63141-6875
USA

T +1 314 996 2277
F +1 314 997 2451
E mary.sullivan@amwater.com
I www.amwater.com

**SECOND AMENDMENT TO
AGREEMENT**

THIS SECOND AMENDMENT TO AGREEMENT ("Second Amendment") is made and entered into as of the 25th day of September, 2006, by and between **LDG INVESTMENT GROUP, L.L.C.**, an Illinois limited liability company and/or its Nominee ("Purchaser") and **Illinois-American Water Company**, an Illinois Corporation ("Seller") ("Purchaser" and "Seller" sometimes individually referred to as "Party" or collectively "Parties").

WITNESSETH:

WHEREAS, Seller and Purchaser entered into that certain Real Estate Sale Contract dated March 11, 2005 and a First Amendment to Agreement dated April 24, 2006, (collectively "Agreement"), for the sale of approximately six acres in unincorporated Kane County, Illinois and commonly known as the "Water Company" ("Property"); and

WHEREAS, pursuant to the Agreement, Purchaser is to purchase and Seller is to sell the Property, all as further set forth in the Agreement; and

WHEREAS, pursuant to the First Amendment, the Agreement was amended to provide Purchaser with additional time for the Entitlement Period as defined in paragraph R-5 (b); and

WHEREAS, Purchaser did not exercise its option for a second three-month extension under the First Amendment and the time for the second extension has lapsed; and

WHEREAS, Purchaser and Seller desire to amend the Agreement, including the First Amendment, to allow Purchaser to cure the lapsed extension and to grant an additional extension of three months, or until December 6, 2006, to purchase and Seller to sell the Property, all as further set forth in the Agreement.

AGREEMENT

NOW THEREFORE, In Consideration of the mutual promises and covenants contained herein, and such other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **Recitals.** The recitals set forth hereinabove are fully incorporated into this Second Amendment. In the event the terms and conditions of this Second Amendment conflict with the terms and conditions of the Agreement, Seller and Purchaser hereby understand, acknowledge and agree that the terms and conditions of this Second Amendment shall control.

2. **Closing/Payment of Purchase Price.** Exhibit SJP.2.1 of the Agreement is hereby amended by deleting Paragraph R-7 (a) (i) in its entirety and substituting therefore the following:

(i). Ten (10) days after the conclusion of the Entitlement Period, except that Purchaser may elect to extend said period for up to three (3) one (1) month periods by the deposit into the escrow of additional earnest money in the amount of \$5,000 per each month period extended which shall be applicable to the Purchase Price and non refundable to the Purchaser, thereafter if Purchaser demonstrates that it has exercised diligent efforts and has initiated and pursued timely procedures to accomplish approvals outlined in paragraph R-5(b), Purchaser may extend the Entitlement Period for three (3) additional three (3) month periods by depositing \$25,000 into escrow per each three (3) month extension period, which monies paid into escrow under this provision shall be applicable to the Purchase Price and nonrefundable to the Purchaser.

3. **Exercise of Extension Option.** It is understood and agreed upon by both Purchaser and Seller that in order for the Purchaser to exercise the option of extension of the Entitlement Period as outlined in paragraph 2 above, no later than September 29, 2006, Purchaser must pay into escrow \$25,000, which money is nonrefundable, as payment for the Second Extension described in the First Amendment to Agreement dated April 24, 2006. In addition, Purchaser will pay into escrow an additional \$25,000, which money is nonrefundable, as payment for the Third Extension period as described in this Second Amendment. Said Third Extension period will terminate at 1:00 p.m. on December 6, 2006.

4. **Facsimile and Counterpart Signatures.** This Second Amendment may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall be one in the same instrument. For purposes of executing this Second Amendment, any signed copy of this Second Amendment may be transmitted by facsimile machine and the signature of any party hereon shall, for purposes of execution hereof, be considered an original signature. Any facsimile of this Second Amendment shall, at the request of either party, be re-executed by the other party in an original form, and neither party shall raise the use of a facsimile machine or the fact that any signature was transmitted thereby, as a defense to the effectiveness of this Second Amendment.

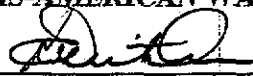
5. **Ratification.** In all other respects, the Agreement, as amended, is hereby ratified and affirmed and shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Second Amendment to be executed as of the date and year as set forth hereinbelow.

SELLER:

ILLINOIS-AMERICAN WATER COMPANY

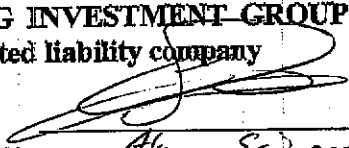
Dated: 10/10/06

By: 
Name: R D M. Tchem
Its: VP

PURCHASER:

**LDG INVESTMENT GROUP, LLC, an Illinois
limited liability company**

Dated: 9/21/06

By: 
Name: Alan S. Meier
Its: manager